

GEORGIA PARTNERSHIP INCOME TAX RETURN AND INSTRUCTIONS FOR 2001

GENERAL INSTRUCTIONS

FILING REQUIREMENTS

A partnership, limited liability company, syndicate, group, pool, joint venture and unincorporated organization which is engaged in business, or deriving income from property located in Georgia and which is required to file a Federal Income Tax return on Form 1065, is required to file a Georgia Income Tax return on Form 700.

WHEN AND WHERE TO FILE

Form 700 must be filed on or before the 15th day of the fourth month following the close of the taxable year with:

GEORGIA INCOME TAX DIVISION
DEPARTMENT OF REVENUE
P.O. BOX 740315
ATLANTA, GEORGIA 30374-0315

EXTENSION

We will accept the Federal extension or the taxpayer may request a Georgia extension using Form IT-303.

RELATION TO FEDERAL RETURN

The Georgia return is correlative with the Federal return in most respects. The accounting period and method for the Georgia return must be the same as the Federal. A COPY OF THE FEDERAL RETURN AND ALL SUPPORTING SCHEDULES MUST BE ATTACHED TO THE GEORGIA RETURN.

FEDERAL AUDIT

If the Internal Revenue Service has adjusted net income within the last 5 years, a detailed statement of such adjustments must be submitted under separate cover to:

GEORGIA INCOME TAX DIVISION
P.O. BOX 740315
ATLANTA, GEORGIA 30374-0315

DEPRECIATION

Continue to depreciate or otherwise recover the cost of property based on the federal rules, unless an election was made on the 1987 tax return (on form IT-87 D.E. or a written statement) to use the methods previously allowed by Georgia Law.

ADJUSTMENTS TO FEDERAL INCOME (Schedules 4 and 5)

To determine total income for Georgia purposes, certain additions and subtractions as provided by Georgia Tax Laws are included in the Schedules 4 and 5 computations. The total additions to Federal Income are to be shown on Line 9 of Schedule 7 and listed in Schedule 4. The total subtractions from Federal income are to be shown on Line 11 of Schedule 7, and listed in Schedule 5. The more commonly used items are listed in each of these schedules.

Any expense which is subject to further limitation (e.g. Section 179 Deduction, Charitable Contributions, etc.) is not deductible in the calculation of Total Income for Georgia purposes. However, these expenses may be deductible on the partner's income tax return.

Where salaries and wages are reduced in computing Federal

taxable income because a federal jobs tax credit has been taken, which required, as a condition to the use of the federal jobs tax credit, the elimination of salary and wages deduction, the eliminated salary and wage deduction shall be subtracted from Georgia taxable income. Regulation 560-7-7-.05 defines the term "federal jobs tax credit". This indicates that the term includes all those credits that, by virtue of Section 280C(a) of the Internal Revenue Code of 1986, require the disallowance for federal income tax purposes of a deduction for wages and salaries. At this time, this includes the Work Opportunity Credit, the Empowerment Zone Employment Credit, and the Indian Employment Credit.

TAXPAYERS WHO ARE PARTIES TO STATE CONTRACTS MAY SUBTRACT FROM FEDERAL TAXABLE INCOME OR FEDERAL ADJUSTED GROSS INCOME 10% OF QUALIFIED PAYMENTS TO MINORITY SUBCONTRACTORS OR \$100,000, WHICHEVER IS LESS, PER TAXABLE YEAR. A LIST OF CERTIFIED MINORITY SUBCONTRACTORS WILL BE MAINTAINED BY THE COMMISSIONER OF ADMINISTRATIVE SERVICES FOR THE REVENUE DEPARTMENT AND GENERAL PUBLIC. (For further information, call (404) 656-6315).

APPORTIONMENT AND ALLOCATION OF INCOME (Schedules 6 and 1)

If any Partnership, domestic or foreign, is doing business or receiving income both within and without Georgia, the average ratio as computed in Schedule 6 should be used to compute Georgia Net Income in Schedule 1.

If the business income of the partnership is derived from property owned or business done within this state and in part from property owned or business done without this state, the tax shall be imposed only on that portion of the business income which is reasonably attributable to the property owned and business done within this state, to be determined as follows:

(1) Interest received on bonds held for investment and income received from other intangible property held for investment are not subject to apportionment. Rentals received from real estate held purely for investment purposes and not used in the operation of the business are also not subject to apportionment. All expenses connected with the interest and rentals realized from such investments are likewise not subject to apportionment but must be applied against the investment income. The net investment income from intangible property shall be allocated to Georgia if the situs of the partnership is in Georgia or the intangible property was acquired as income from property held in Georgia, or as a result of business done in Georgia. The net investment income from tangible property in Georgia shall be allocated to Georgia.

(2) Gains from the sale of tangible or intangible property not held, owned or used in connection with the trade or business of the partnership nor for sale in the regular course of business shall be allocated to this State if the property sold is real or tangible personal

Additional forms may be obtained by calling (404) 417-6011 or by downloading them from our website at <http://www2.state.ga.us/departments/dor>.

property situated in this state, or intangible property having an actual situs or a business situs within this state. Otherwise the gains shall not be allocated to this state.

(3) Net income of the above classes having been separately allocated and deducted, the remainder of the net business income shall be apportioned as follows:

THREE FACTOR FORMULA

(a) Property Factor. The property factor is composed of the average value of real and tangible personal property owned or rented and used during the taxable year. Property owned is valued at its original cost. Property rented is valued at eight times the net annual rental rate. The net annual rental rate is the annual rental rate paid less any annual rental rate received from any subrentals. Averaging with respect to rented property is achieved automatically by the method of determining the net annual rental rate of such property.

(b) Payroll Factor. The payroll factor is the ratio of all salaries, wages, commissions, and other compensation paid by the taxpayer in this State for personal services performed by employees in connection with the trade or business of the taxpayer during the taxable year to the total salaries, wages, commissions, and other compensation paid by the taxpayer for personal services performed by employees in connection with its entire trade or business, wherever conducted, during the taxable year. Payments made to an independent contractor or any other person not properly classified as an employee are excluded. Compensation is paid in this State if the employee's service outside Georgia is incidental to the service performed in this State or some of the service is performed in Georgia and the base of operations from which the service is directed is in this State, or some of the service is performed in Georgia and the base of operations from which the service is directed is not in any State where some part of the service is performed but the employee's residence is in Georgia.

(c) Gross Receipts Factor. The gross receipts factor is the ratio of gross receipts from business done within this State to total gross receipts from business done everywhere. Receipts shall be deemed to have been derived from business done within this State only if received from products shipped to customers in this State, or delivered within this State to customers. The purpose of the gross receipts factor is to measure the marketplace for the taxpayer's goods and services.

When receipts are derived from the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this state if they were received from products shipped to customers in this state or products delivered within this state to customers.

When receipts are derived from business other than the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this state if they were received from customers within this state or if the receipts are otherwise attributable to this state's marketplace.

(d) The apportionment factors determined above shall be weighted 25% to property, 25% to payroll and 50% to receipts. If the denominator for either the property or payroll factor is zero, the weighted percentage for the other will be 33-1/3% and the weighted percentage for the receipts factor will be 66-2/3%. If the denominator for the receipts is zero, the weighted percentage for the property and payroll will change to 50% each. If the denominators for any two factors are zero, the weighted percentage for the remaining factor will be 100%. Fill in the applicable percentage in Schedule 6 column d.

(e) For the purpose of this section, the word "sale" shall include the extraction and recovery of natural resources and all processes of fabricating and curing.

(f) Apportionment of Income; Business Joint Venture and Business Partnerships. A corporation which is involved in a business joint venture, or is a general partner in a business partnership, must include its pro rata share of the joint venture or partnership, property, payroll and gross receipts values in its own apportionment formula.

COMPUTATION OF TOTAL INCOME FOR GEORGIA PURPOSES (Schedule 7)

Schedule 7 reflects flow through income from the federal return which is taxable to the individual partners. A resident partner is required to report his full share of partnership income or loss. A nonresident partner is required to report only his share of the Georgia apportioned and allocated income.

PAYMENTS MADE TO A PARTNER FOR SERVICES RENDERED OR INTEREST ON CAPITAL CONTRIBUTIONS ARE NOT DEDUCTIBLE IN COMPUTING THE NET INCOME OF THE PARTNERSHIP.

Schedule 7 is similar to the Federal Schedule K. Enter the total amounts from each category on Schedule 7 where applicable.

INCOME TO PARTNERS (Schedule 3)

This schedule provides space for showing identifying information and distributable income to the individual partners.

Enter for each partner*: 1. Name 2. Street and Number 3. City, State and Zip Code 4. Social Security or Federal Identification Number 5. Profit (Loss) sharing ratio 6. Georgia Source Income.

TOTAL GEORGIA SOURCE INCOME MAY BE DIFFERENT THAN THE TOTAL NET INCOME DUE TO THE FACT THAT SOME OF THE PARTNERSHIP INCOME (e.g., Guaranteed Payments) MAY NOT BE BASED ON THE PROFIT SHARING RATIO, OR THE PARTNER IS A GEORGIA RESIDENT.

*IF THE PARTNERSHIP HAS MORE THAN 5 PARTNERS, ATTACH A SEPARATE SCHEDULE FOR THE ADDITIONAL PARTNERS IN THE SAME FORMAT.

A PARTNERSHIP WITH NUMEROUS PARTNERS MAY AVOID FILING K-1'S, IF IT AGREES TO PROVIDE THEM UPON REQUEST.

UNDER CERTAIN CIRCUMSTANCES, INCOME RECEIVED BY A NONRESIDENT PARTNER OF A RESIDENT PARTNERSHIP MAY BE EXEMPT FROM GEORGIA INCOME TAX. REFER TO GEORGIA CODE SECTION 48-7-23 AND 24. SEE PAGE 3 FOR MORE INFORMATION.

BEGINNING JANUARY 1, 1994, WITHHOLDING IS REQUIRED ON NONRESIDENT PARTNERS OR AS AN ALTERNATIVE, A COMPOSITE RETURN MAY BE FILED. NO PERMISSION IS REQUIRED. FORM IT-CR IS AVAILABLE. SEE PAGE 3 FOR MORE INFORMATION.

TELEPHONE ASSISTANCE

Centralized Taxpayer Registration Unit	(404) 417-4490
Employee Withholding Information	(404) 417-3210
Income Tax Forms	(404) 417-6011
Income Tax Division	(404) 417-2400
Compliance Division	(404) 417-6400

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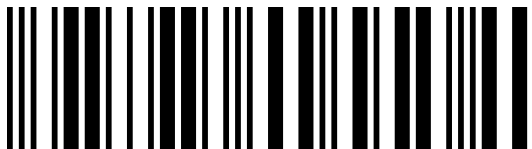
or other taxable year

Form 700 (Rev. 8/01)

Department of Revenue Income Tax Division

STATE OF GEORGIA PARTNERSHIP

INCOME TAX RETURN (Page 1)



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Mail to:
Georgia Income Tax Division
P.O. Box 740315
Atlanta, Georgia 30374-0315

Beginning _____, 20____, and ending _____, 20____

☐ Original Return ☐ Amended Return ☐ Final Return ☐ Change of Address ☐ Department Use Only

A. Federal Employer Id. No.	Name		
B. Ga. W/hold. Tax Acct. No.	Number and Street		Location of Books for Audit
C. Ga. Sales Tax Reg. No.	City or Town	State County	Postal Zip Code Number Telephone Number
D. Name & address on last year's return if different from above. If no return was filed last year, state reason.			
E. Business Code No. shown on Federal Return	F. Kind of Business	Basis of this return () CASH () ACCRUAL () OTHER	
G. Indicate latest taxable year (within last 5 years) adjusted by Internal Revenue Service	H. Number of Partners	I. Do you have Non-Resident Partners () Yes or () No	

SCHEDULE 1 - COMPUTATION OF GEORGIA NET INCOME

(Round to Nearest dollar)

1. Total Income for Georgia purposes (Line 12, Schedule 7) 1.
2. Income allocated everywhere (Attach Schedule) 2.
3. Business income subject to apportionment (Line 1 less Line 2) 3.
4. Georgia ratio (Line 4, Schedule 6, Part 2) 4.
5. Net business income apportioned to Georgia (Line 3 X Line 4)..... 5.
6. Net income allocated to Georgia (Attach Schedule) 6.
7. Total Georgia net income (Add Line 5 and Line 6) 7.

DECLARATION

I/We declare under the penalties of perjury that I/we have examined this return (including accompanying schedules and statements) and to the best of our knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, this declaration is based on all information of which the preparer has any knowledge.

Signature of Partner
(Must be signed by partner)

Signature & Identification # of preparer other than partner or member

Date

Date



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SCHEDULE 2 - GEORGIA BUSINESS CREDITS (These are for information purposes only and do not affect Schedule 1 or Schedules 3 - 7)

Cigarette Export Credit	\$	
Diesel Particulate Emission Reduction Technology Credit	\$	
Employer's Credit for Approved Employee Retraining	\$	
Employer's Credit for Basic Skills Education	\$	
Employer's Credit for Providing or Sponsoring Child Care for Employees	\$	
Employer's Job Tax Credit	\$	
Headquarters Job Tax Credit	\$	
Low Emission Vehicle Credit	\$	
Low Income Housing Credit	\$	
Manufacturer's Investment Tax Credit	\$	
Optional Investment Tax Credit	\$	
Qualified Transportation Credit	\$	
Research Tax Credit	\$	
Small Company Business Growth Tax Credit	\$	
Other	\$	
TOTAL ALLOWABLE GEORGIA BUSINESS CREDITS FOR THE YEAR	\$	

Attach the appropriate form or a detailed schedule for each credit claimed (See pages 4 & 5 of the instructions for additional information)

SCHEDULE 3 -		INCOME TO PARTNERS	PROFIT SHARING %	GEORGIA SOURCE INCOME
A	1		5.	6.
	2			
	3			
	4	/		
B	1		5.	6.
	2			
	3			
	4	/		
C	1		5.	6.
	2			
	3			
	4	/		
D	1		5.	6.
	2			
	3			
	4	/		
E	1		5.	6.
	2			
	3			
	4	/		
TOTAL				

SCHEDULE 4 - ADDITIONS TO FEDERAL INCOME

1.State and municipal bond interest other than Georgia or political subdivision thereof	
2.Net income or net profits taxes imposed by taxing jurisdictions other than Georgia...	
3.Expenses attributable to tax exempt income.....	
4.Accelerated Depreciation (ACRS) deducted on Federal return (electing partnership).....	
5.Other additions.....	
6.....	
7.Total (Add Lines 1 through 6) Enter here and on Line 9, Schedule 7.....	

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SCHEDULE 5 - SUBTRACTIONS FROM FEDERAL INCOME

1. Interest on obligations of United States.....	1.	
2. Depreciation allowed per IRC Code as of 1-1-81 (ACRS assets electing partnership only).....	2.	
3. Other subtractions.....	3.	
4.	4.	
5. Total (Add Lines 1 through 4) enter here and on Line 11, Schedule 7.....	5.	

SCHEDULE 6 - APPORTIONMENT OF INCOME

(PART 1)

	WITHIN GEORGIA		TOTAL EVERYWHERE	
	a. Beginning of year	b. End of year	a. Beginning of year	b. End of year
1. Inventories				
2. Buildings (cost).....				
3. Machinery & Equipment.....				
4. Land				
5. Other Tangible Assets				
6. Total (Lines 1 through 5)				
7. Average (add columns a and b and divide by 2)				
8. Rented Property (Annual Rate X 8)				
9. Total Property (Add Lines 7 and 8)				

APPORTIONMENT OF INCOME
(Part 2)

	a. Within Georgia	b. Everywhere	c. (Do not round) col. (a) / col. (b) Compute to Six Decimals	d. See Instructions	e. (Do not round) col. (c) x col. (d) Georgia Factor Compute to Six Decimals
1. Total Property (Part 1 Line 9)....					
2. Salaries, wages, commissions, and compensation.....					
3. Gross receipts from business...					
4. Georgia ratio (total column e)...					

SCHEDULE 7 - COMPUTATION OF TOTAL INCOME FOR GEORGIA PURPOSES

1. Ordinary income (loss)	1.	
2. Net income (loss) from rental real estate activities	2.	
3 a. Gross income from other rental activities 3a.		
b. Less expenses (attach schedule)	3b.	
c. Net income (loss) from other rental activities	3c.	
4. Portfolio income (loss): a. Interest Income	4a.	
b. Dividend Income	4b.	
c. Royalty Income	4c.	
d. Net short-term capital gain (loss)	4d.	
e. Net long-term capital gain (loss)	4e.	
f. Other portfolio income (loss)	4f.	
5. Guaranteed payments to partners	5.	
6. Net gain (loss) under Section 1231	6.	
7. Other Income (loss)	7.	
8. Total Federal income (add Lines 1 through 7).....	8.	
9. Additions to Federal income (Schedule 4 above)	9.	
10. Total (add Lines 8 and 9)	10.	
11. Subtractions from Federal income (Schedule 5 above)	11.	
12. Total income for Georgia purposes (subtract Line 11 from Line 10)	12.	

CORPORATE PARTNERS OF PARTNERSHIPS

A corporation will be considered to be owning property or doing business in Georgia whenever the corporation is a partner, whether limited or general, in a partnership which owns property or does business in Georgia. This treatment of corporate partners is set forth in regulations 560-7-7-.03, 560-7-3-.08, and 560-7-8-.34 which were amended in 2001. The amended regulations apply to taxable years beginning on or after January 1, 2002.

LIMITED LIABILITY COMPANY

Each limited liability company and foreign limited liability company shall be classified as a partnership for Georgia tax purposes unless classified otherwise for Federal income tax purposes, in which case the limited liability company or foreign limited liability company shall be classified for Georgia tax purposes in the same manner as it is classified for federal income tax purposes.

NET WORTH TAX

The Partnership Return is an information return only and partnerships are not subject to the net worth tax.

INSTRUCTIONS FOR PARTNERSHIPS WITH NONRESIDENT PARTNERS

Nonresident partners of partnerships doing business both within and without Georgia shall compute their proportionate part of the partnership's allocated and apportioned income from the schedules on Form 700. The Georgia net income computed on Line 7 of Schedule 1 should be multiplied by the percentage of ownership to determine the Georgia income of the nonresident. Additionally, the portion of the Section 179 expense attributable to Georgia, that has not been included in Georgia net income and that has been allowed on the taxpayer's federal tax return, can also be subtracted on the partner's Georgia return.

A partnership, which owns property or does business within this state, is required by Georgia Code Section 48-7-129 to withhold on distributions paid or credited to its nonresident partners. The withholding tax rate is 4%. Withholding is not required if the aggregate annual distributions paid or credited to each partner are less than \$1,000. As an alternative to withholding, the partnership may file a composite return (Form IT-CR) for its nonresident partners. Nonresident partners may only be included on the composite return if they have no other Georgia source income. Permission is not required to file the composite return. A statement in the return indicating that composite filing is being used is sufficient. For composite return filing information, call (404) 417-2300.

Subsection (c) of Georgia Code Section 48-7-24 provides an exemption from Georgia income taxation for a nonresident partner who receives income from a partnership which derives income exclusively from buying, selling, dealing in, and holding securities on its own behalf and not as a broker. Accordingly, withholding under Georgia Code Section 48-7-129 would not apply to distributions paid or credited in this situation. Please note: This subsection does not apply to a family limited partnership the majority interest of which is owned by one or more natural or naturalized citizens related to each other within the fourth degree of reckoning according to the laws of descent and distribution.

TAX CREDITS

Cigarette Export Credit. This is a tax credit for the shipment of cigarettes manufactured anywhere in the United States to a foreign country. For additional information refer to Georgia Code Section 48-7-40.20.

Diesel Particulate Emission Reduction Technology Equipment. This is a credit given to any person who installs diesel particulate emission reduction equipment at any truck stop, depot, or other facility. For additional information refer to Georgia Code Section 48-7-40.19.

Employer's Credit for Approved Employee Retraining. Retraining programs must enhance the functional skill of employees otherwise unable to function effectively on the job due to skill deficiencies or who would otherwise be displaced because such skill deficiencies would inhibit their utilization of new technology. The Retraining Tax Credit is computed on a Form IT-RC. For a copy of the Retraining Tax Credit Procedures Guide, contact the Department of Technical and Adult Education at (404) 679-1700. For additional information refer to Georgia Code Section 48-7-40.5.

Employer's Credit for Basic Skills Education. Business enterprises may benefit by providing or sponsoring basic skills education that enhances reading, writing or mathematical skills up to and including the 12th grade. This credit is computed on Form IT-BE. For additional information refer to Georgia Code Section 48-7-41.

Employer's Credit for Providing or Sponsoring Child Care for Employees. The child care credit is calculated in two stages. The first stage offers a tax credit to an employer who provides or sponsors child care for employees. The second stage allows for a credit for the taxable year in which the taxpayer first places in service qualified child care property and for each of the ensuing nine taxable years. The credits are computed on Forms IT-CCC75 and IT-CCC100. For additional information refer to Georgia Code Section 48-7-40.6.

Employer's Job Tax Credit. This is a statewide jobs tax credit for certain business enterprises that have hired sufficient numbers of employees. The credit has been modified by recent legislation. The major difference or enhancement is that the taxpayer, in some instances, is now allowed to utilize this credit not only to offset income taxes, but also to receive a credit of withholding dollars which would otherwise be payable to Georgia by an employer on a monthly or quarterly basis. Other major differences include the fact that there are now four tiers in the state and the values for the credits have increased for each county. Form IT-CA is used to compute the credit. For additional information contact the Office of the Commissioner of Community Affairs at (404) 679-1592 and refer to Georgia Code Section 48-7-40.

Headquarters Tax Credit. This is a credit for a business enterprise that establishes its headquarters in this state or relocates its headquarters into this state. For additional information refer to Georgia Code Section 48-7-40.17

Low and Zero Emission Vehicle Credit. For tax years beginning on or after January 1, 2001, this credit has been expanded. This is a credit, of up to \$2,500, for the purchase or lease of a new low emission vehicle or up to \$5,000 for the purchase or lease of a new zero emission vehicle. Additionally, there is a credit, up to \$2,500 for the conversion of a standard vehicle to a low emission vehicle or a zero emission vehicle. The low emission vehicle must operate exclusively on a fuel other than traditional gasoline and/or diesel. A zero emission vehicle is a motor vehicle which has zero tailpipe and evaporative emissions as defined under rules and regulations of the Board of Natural Resources and includes an electric vehicle whose drive train is powered solely by electricity, provided electricity is not provided by any on-board combustion device. Certification approved by the Environmental Protection Division of the Department of Natural Resources must be included with the return for any credit claimed under this provision. Also for any business enterprise, a \$2,500 credit has been added for the purchase or lease of each electric vehicle charger that is located in Georgia. The area where a vehicle must be registered and where electric chargers must be located has been expanded from a covered area, which was only the metro area, to the entire state. Finally, businesses such as fleet operators, that are mandated to use low emission vehicles, now also qualify. For additional information refer to Georgia Code Section 48-7-40.16.

Low Income Housing Credit. A tax credit called the Georgia Housing Tax Credit. This is a credit against Georgia income taxes for taxpayers owning an interest in a federally qualified housing project in Georgia. The credit is equal to the portion of the federal housing tax credit which is related to Georgia projects. For additional information refer to Georgia Code Section 48-7-29.6.

Manufacturer's Investment Tax Credit. This credit is based on the same tiers as the Employer's Jobs Tax Credit and requires certain minimum expenditures in order for them to be claimed against the income tax liability. The Credit may be claimed beginning with the tax year immediately following the year in which the minimum expenditures for investment property have occurred. To be eligible, a taxpayer must purchase or acquire qualified investment property pursuant to an approved project plan (use Form IT-APP). The investment tax credit is computed on Form IT-IC. For additional information refer to Georgia Code Section 48-7-40.2, 40.3, and 40.4.

(Continued on the next page)

STATE OF GEORGIA
DEPARTMENT OF REVENUE
INCOME TAX DIVISION
1800 CENTURY CENTER BLVD. NE
ATLANTA, GA 30345-3205

FORWARDING SERVICE REQUESTED

TO: _____

TAX CREDITS

(continued)

Optional Investment Tax Credit. The credit is similar to the regular investment tax credit. However, there are higher spending thresholds, as well as a ten-year calculation. As with the Manufacturer's Investment Tax Credit, prior approval is required (use Form OIT-APP). The Optional Investment Tax Credit is computed on Form OIT-IC. For additional information refer to Georgia Code Section 48-7-40.7, 40.8, and 40.9.

Qualified Transportation Credit. A tax credit of \$25 per employee for any "qualified transportation fringe benefit" provided by an employer to an employee as provided in Section 132(f) of the Internal Revenue Code of 1986. For additional information refer to Georgia Code Section 48-7-29.3.

Research Tax Credit. Business enterprises that qualify for the federal research tax credit may also qualify for a credit against their Georgia Income Tax. The credit is claimed on a Form IT-RD. For more information call the Tax Conferee's Office at (404) 417-2400 or refer to Georgia Code Section 48-7-40.12.

Small Company Business Growth Tax Credit. This is a credit to reward rapidly growing small businesses. If your company has a Georgia taxable income of less than \$1.5 million then you may qualify. This credit rewards business enterprises which can show a 20% increase in Georgia net taxable income in each of three years. This credit is claimed on Form IT-RG. For additional information refer to Georgia Code Section 48-7-40.13.

Port Activity Tax Credit. To increase usage of Georgia Ports, Georgia has a port activity tax credit. Taxpayers who otherwise qualify for the job tax credit or the investment tax credits can qualify for enhanced credit values from these tax credits. For additional information call the Tax Conferee's Office at (404) 417-2400 or refer to Georgia Code Section 48-7-40.15.

FUTURE TAX CREDITS

Beginning with taxable years beginning on or after January 1, 2002, a business enterprise will be eligible for a credit for the purchase of a motor vehicle that is used exclusively to provide transportation for its employees. In order to qualify, a business enterprise must certify that each vehicle carries an average daily ridership of not less than four employees. This credit is \$3,000 in tier one counties and \$2,000 in tier two counties. Business enterprise is defined as any business or the headquarters of any such business which is engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, research and development industries, child care businesses, or retail businesses. For additional information refer to Georgia Code Section 48-7-40.22.

ADDITIONAL INFORMATION

In claiming each credit, please attach the form used to compute the credit. Taxpayers must elect the investment tax credit, the optional investment tax credit or the job tax credit for their operations in Georgia, but only one for a given project. **For more details about credits and the latest forms, please visit our website at: www2.state.ga.us/departments/dor/inctax/taxcredits.shtml or call the Department and request the publication, "Information on Income Tax Credits for Georgia Businesses."**